

FILED

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - DETROIT

2014 APR 18 A 10:00

U.S. BANKRUPTCY
E.D. MICHIGAN-DETROIT

In the matter of:

CITY OF DETROIT, MICHIGAN

Case No. 13-53846-swr

Chapter 9

Hon. STEVEN W. RHODES

Debtor /

OBJECTION TO CITY OF DETROIT'S PLAN OF ADJUSTMENT [DOCKET 2708]

FILED BY: Fred Vitale

hereby states his/her/their OBJECTION TO:

CITY OF DETROIT'S PLAN OF ADJUSTMENT

for the following reasons.

1. I / we am/are interested in the Bankruptcy of the City of Detroit because

I am a homeowner in Detroit and a Ford retiree.

2. I / we object to the above filing because:

the plan pays large financial institutions for debt contracted under duress & from predatory loans, swaps and other toxic financial instruments and takes away money from city workers, pensioners & residents.

3. I have have not attached additional sheets to explain and establish my position.

I hereby certify that the statements made herein are true and correct under penalty of perjury and contempt of Court under the laws of the United States of America.

Wherefore I / we request the Court will deny the relief sought in said filing.

Name: Fred Vitale

Signature: Fred Vitale

Address: 4190 Kensington

Detroit MI 48224

Email: Fred.detroit@sbeglobal.net

Dated:

Additional Sheets to Explain My Position on Opposing the Plan of Adjustment – Fred Vitale, Detroit resident

The plan of adjustment significantly reduces pensions for retired police and firefighters as well as retired city employees. I live next door to a retired city employee. There are several others in our community, including a former state representative, Betty Cook Scott, and a recently elected member of the Detroit Board of Police Commissioners, Willie Bell.

The cuts to pensions will severely reduce the ability of these people to continue to be good neighbors by contributing to the upkeep of the neighborhood – we have paid security and snow removal – as well as continue to volunteer to serve in a public capacity. Both attend our community meetings and contribute through their volunteer efforts as well as monetarily.

As a salaried retiree of Ford Motor Company, I know what it is like to live on a fixed income while prices for essentials as well as for the simple pleasures of retirement rise inexorably. An immediate cut of 26% for some or 6% for others, along with long-term reductions because of elimination of cost-of-living adjustments, will be devastating to our community.

Further, the payment of 100% to secured creditors – many of them major financial institutions -- included in the plan is not fair or just. These institutions have benefited from our tax payments over and over again. It was actions by the managers in charge of these institutions which caused much of the degradation in our tax base, as well as driving many of my neighbors out of their homes.

The home next to me on the other side was lived in by the same family for over 40 years. The daughters who took over the home from their mother were forced out by the banks. The bailiffs representing Wayne County began to toss their belongings into a dumpster with little concern for the damage they were causing. I asked them to please put their belongings in my garage. They refused, but agreed to place them on my front lawn. Along with other neighbors, we moved their belongings into my garage. They also stopped treating their belongings as trash and acted more respectfully. I later worked with the daughters and moved the furniture to a secure storage facility while they first tried to work out a deal with the banks. Their efforts failed and I helped them to move their materials later.

Another woman in our neighborhood, Belva Davis, was foreclosed on while she was between jobs. Only with picketing the bank and long discussions with the owners of the mortgage, all of these efforts support by our community organization, East English Village Association, and with volunteer attorneys was Belva able to stay in her home. Even at that, the payments were elevated beyond what they should be for the value of her home. This story, usually with a much less happy ending, was repeated over and over again in our neighborhood.

As part of the bicycle patrol in our neighborhood, I regularly ran into neighbors forced out of their homes by the bankers (using the Wayne County sheriff's office as enforcers) which hurt our neighborhood.

I am concerned that in spite of the overwhelming evidence of the destruction that my neighborhood and others have suffered from bankers and leading financial institutions of one type or another, that in bankruptcy court their role in causing the very problems we have – an eroded tax base leading to reduced income for the city, an increase in crime, difficulties for our elder citizens – is avoided in the name of treating all creditors equitably.

I object to the law firm of Jones-Day and its recent employee, Kevyn Orr, representing the interests of the city of Detroit. Jones-Day is too closely associated with representing the same institutions which are

making claims of equity in this bankruptcy and not the interests of the pensioners of the city or city residents who are placed on the same level as these bankers and their institutions. I object to the exclusion of elected officials from the bankruptcy or for taking any responsibility for the bankruptcy. It does not bode well for the future of the city. The unprecedented character of the bankruptcy should make the thinking and acting that follows unprecedented too – we should place the interests of the citizens, its neighborhoods and its retirees ahead of financial institutions which have done very little for the city and very much against it.

I also object to cuts in pensions as a current retiree. What precedents are being established that may place my pension in jeopardy with little legal recourse? Only a fool would say my pension does not face an increase in uncertainty when thousands of my fellow pensioners have their pensions cut.

Detroit is not a corporation. It is the home for over 700,000 people. It has been here longer than every institution seeking payment – we have been here since 1701. Justice and true equity demand that the bankers and their institutions not be paid at all until retirees and their pensions are preserved and Detroit neighborhoods are compensated for the destruction caused by the foreclosures and predatory loans.

The compensation to neighborhoods can be used to rehabilitate many good houses and turn them into homes for the homeless who fill the shelters, walk our streets and sometimes occupy abandoned houses or their own bank foreclosed homes. The compensation can be used to help these people, many of them retirees, grandparents or single parents, stay in these homes through utility payments based on income rather than usage. There has been a very successful DTE pilot program along these lines. The same idea could be extended to a city water program.

Our neighborhood in East English Village stays a good neighborhood through the extensive volunteer efforts of our residents. I suspect we have much greater participation in our neighborhood in terms of meeting attendance and active participation in cleanups, securing broken into homes, etc., than most suburban neighborhoods.

The bankruptcy proceedings should support our neighborhood efforts. Don't allow our neighbors to lose significant parts of their pensions and don't use our tax money to pay off those responsible for the destruction visited upon us.

It is for these reasons that I oppose the plan of adjustment as presently written and propose these changes – full pensions for all retirees and compensation by the financial institutions for the documented destruction of our neighborhood through foreclosures and predatory loans.

Thank you for your time and attention.

Fred Vitale
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